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NO REPLY NECESSARY	September 10, 2003 INITIAL DATE	
REPLY OR OTHER ACTION TAKEN	CODE NO. DATE	
INFO COPY TO:		
ROUTE TO	INITIALS	DATE

Dear Mr. Harris:

The Mid-West Electric Consumers Association (Mid-West) appreciates the opportunity to comment on the proposed rate adjustment for the Eastern and Western Divisions of the Pick-Sloan Missouri Basin Program.

Mid-West is the regional coalition of consumer-owned electric utilities that purchase power from the federal multi-purpose projects in the Missouri River Basin – the Pick-Sloan Missouri Basin Program. Founded in 1958, Mid-West provides a strong regional voice for federal power customers and their consumers. These 300-plus rural electric cooperatives, municipal electric systems, and public power districts serve approximately three million consumers in the nine state of the Pick-Sloan Missouri Basin Program: Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, North Dakota South Dakota, and Wyoming.

After examining the information provided by WAPA on Western Division Pick-Sloan rate adjustments in the Rocky Mountain Region (Loveland Area Projects and Fryingpan/Arkansas) and attending Western's public information forums on the rate adjustments, Mid-West generally agrees with the rate adjustments that Western has proposed.

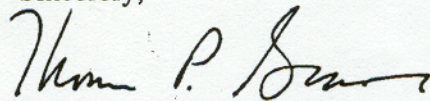
Rate adjustments for the Eastern Division of the Pick-Sloan Missouri Basin Program also are supported by the data and analysis Western has provided through its rate brochure and public comment forums.

Mid-West supports the proposed rate adjustments for Eastern Division Pick-Sloan, but is concerned about the magnitude of the rate increase for the Tiered rate, which affects customers with a greater than 60% load factor. Mid-West agrees that the Tiered rate must recover associated costs. However, it appears that factors other than increased usage have contributed to the 114% increase, most notably a decline in the generation base. At the least, Western needs to monitor more closely costs associated with the Tiered Rate.

Western has proposed implementing these rate adjustments for the Pick-Sloan Missouri Basin Program in one step; but has asked for comments about a two-step implementation. Mid-West strongly supports a two-step implementation of proposed rate adjustments. Given the size of the rate adjustment being proposed and the impacts those increased costs will have on the communities, businesses, and individuals that purchase Pick-Sloan hydropower, a phased-in implementation would provide much need time to adjust to these higher rates, while insuring timely repayment of the federal investment in hydropower in the Pick-Sloan Missouri Basin Program.

Thank you for the opportunity to comment on Western's proposed Pick-Sloan rate adjustments.

Sincerely,

A handwritten signature in dark ink, appearing to read "Thomas P. Graves". The signature is fluid and cursive, with a long horizontal stroke at the end.

Thomas P. Graves
Executive Director